

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF JOANN ESTATES)	
UTILITIES, INC. FOR A RATE ADJUSTMENT)	CASE NO. 91-129
PURSUANT TO THE ALTERNATIVE RATE FILING)	
PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On April 24, 1991, Joann Estates Utilities, Inc. ("Joann Estates") filed an application with the Commission requesting authority to increase its rates for sewer service pursuant to the Alternative Rate Filing Procedure for Small Utilities. The proposed rates were designed to generate approximately \$26,064 annually in additional revenues, an increase of 120 percent over normalized test-year revenues of \$21,720. On May 3, 1991, the Commission notified Joann Estates that its application was deficient with respect to certain filing requirements. Joann Estates corrected the deficiencies on May 8, 1991, on which date the application was accepted for filing by the Commission.

On April 25, 1991, the Commission received a request to intervene in this proceeding from Ricky Green and Brenda Messer, two customers of Joann Estates. The Commission granted full intervention to Ricky Green and Brenda Messer by Order dated May 10, 1991. On May 23, 1991, the Commission granted limited intervention to Michael Richardson, also a customer of Joann Estates, in response to his request to intervene of May 20, 1991.

In order to evaluate the requested increase, Commission Staff ("Staff") issued an information request on May 30, 1991, directing the utility to provide additional documentation and clarification of its pro forma expenses. Joann Estates responded to the Commission's Order on June 5, 1991. After reviewing all information of record, Staff issued its report on July 5, 1991, recommending that Joann Estates be authorized to increase its annual operating revenues by \$15,245. By letter dated July 8, 1991, the Commission advised all parties that comments on the Staff Report and/or a request for a public hearing must be filed no later than July 15, 1991, or this case would stand submitted to the Commission for decision. As of the date of this Order, no comments have been filed by any party, nor has any party requested a hearing.

On June 3, 1991, Joann Estates filed a motion with the Commission for an emergency interim rate increase. In its motion, Joann Estates represented that it was seriously in arrears to creditors, all of which were insisting on payment and some of which were threatening to cut off utility service to the plant. KRS 278.190(2) authorizes the Commission to permit a utility's proposed rates to become effective, subject to refund, prior to a final Order of the Commission, if the Commission finds that the utility's credit or operations will be "materially impaired or damaged by the failure to permit said rates to become effective. . . ."

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Joann Estates' motion for emergency interim rate relief should be denied, as its need for interim relief becomes moot with the issuance of this Order.

2. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

3. The rate in Appendix A, attached hereto and incorporated herein, is the fair, just, and reasonable rate for service provided by Joann Estates and will produce annual revenues of \$36,965. This rate will allow Joann Estates sufficient revenue to meet its operating expenses and provide for future equity growth.

4. The rate proposed by Joann Estates would produce revenue increases which are unreasonable and thus inconsistent with KRS 278.030.

IT IS THEREFORE ORDERED that:

1. Joann Estates' motion for emergency interim rate relief is hereby denied.

2. The rate proposed by Joann Estates in its application is hereby denied.

3. The rate contained in Appendix A is approved for service rendered by Joann Estates on and after the date of this Order.

4. Within 30 days of the date of this Order, Joann Estates shall file with the Commission its revised tariff setting out the rate approved herein.

Done at Frankfort, Kentucky, this 29th day of July, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-129 DATED 7/29/91

The following rate and charge is prescribed for sewer service to customers of Joann Estates. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates Monthly

Single Family Residential	\$17.05
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